

VZCZCXRO6072  
RR RUEHBC RUEHDE RUEHDH RUEHKUK RUEHROV  
DE RUEHLB #1319/01 3490535  
ZNR UUUUU ZZH  
R 150535Z DEC 09  
FM AMEMBASSY BEIRUT  
TO RUEHC/SECSTATE WASHDC 6205  
INFO RUEHEE/ARAB LEAGUE COLLECTIVE  
RHEHAAA/NSC WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUCPDOG/USDOC WASHDC

UNCLAS SECTION 01 OF 02 BEIRUT 001319

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [SENV](#) [SCOM](#) [PGOV](#) [LE](#)

SUBJECT: ENVIRONMENTAL ACTIVISTS TARGET COPENHAGEN (ECONOMIC WEEK IN REVIEW, DECEMBER 7-13, 2009)

REF: BEIRUT 1298

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ENVIRONMENTAL ACTIVISTS ISSUE  
BEIRUT CALL TO COPENHAGEN  
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¶1. (SBU) A group of Lebanese parliamentarians, Lebanese NGOs, and the local UNDP office issued the "Beirut call to Copenhagen" calling on world leaders to approve an "ambitious, binding and fair agreement in Copenhagen" to face the dangers of climate change (reftel). The head of local environment NGO IndyAct, Wael Hmaidan, said there has recently been increased focus on environmental issues in Lebanon, as highlighted by the establishment of a GOL steering committee to coordinate the issues of climate change and desertification. IndyAct is leading a delegation of 43 people to the UN Climate Change Conference (COP15) in Copenhagen. The delegation includes activists, experts and media and will push to improve and solidify the Arab regional position regarding climate change.

¶2. (SBU) Lebanon will not play a strong role during COP15 negotiations and lacks a detailed position on climate change, according to Hmaidan. Currently, Lebanon's policy is based on IndyAct's position, and stronger environmental commitment will only come with political will at the level of the prime minister, he said. Lebanon has a national interest in staying close to the position of small island nations and away from that of the G-77 and oil-exporting countries, he explained, so it can be helpful to the USG in moving the Arab position away from the interests of oil-exporting countries.

SALAMEH: NEW GOVERNMENT AN  
OPPORTUNITY FOR REFORM  
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¶3. (SBU) The newly formed national unity government is a unique opportunity that Lebanon should exploit to reform its economy, Central Bank of Lebanon (CBL) Governor Riad Salameh said during a dinner hosted by economic associations December 7. Lebanon was not affected by the international recession, Salameh said, and the slowdown in some sectors was compensated by remarkable growth in the tourism sector. Growth expectations for 2009 increased from 4% to 7%, and GDP is expected to reach \$32.7 billion, he said. Earlier this month, Salameh claimed that Lebanon would not be affected by the financial crisis hitting Dubai, although other economists doubted Lebanon's insulation given its open economy and strong links

with the Gulf region.

CENTRAL BANK TO ROLL OVER CDS

14. (SBU) Salameh indicated the CBL may issue certificates of deposit (CDs) for seven to ten years to contain liquidity in the banking sector. CBL head of financial operations Dr. Youssef El Khalil told us the CBL is considering the possibility of rolling over about \$2.3 billion worth of 5-year Lebanese pound-denominated CDs that will mature next year. (Note: The CBL issued these CDs following the assassination of PM Rafiq Hariri in February 2005 to discourage capital outflows and maintain currency stability. End note.) The CBL wishes to capitalize on increased interest in Lebanese financial paper from domestic and foreign investors to obtain lower interest rates.

BANKING MOU WITH THE UAE

15. (U) Lebanon's Banking Control Commission (BCC) signed an MOU with the United Arab Emirates' (UAE) Securities and Commodities Authority (SCA) to promote cooperation and the exchange of information in the areas of financial legislation, licensing, supervision of institutions, and financial investigations. Abdullah Al-Turaifi, SCA's chief executive officer noted the MOU institutionalized the already existing cooperation between the two countries and would lead to more activity in the future, including the adoption of stringent supervisory and monitoring measures to ensure financial stability. The agreement will encourage Lebanese firms to list on the UAE stock markets and vice versa.

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TRA ISSUES THREE  
NEW INTERNET LICENSES

16. (SBU) The Telecommunications Regulatory Authority (TRA) granted interim licenses to three local companies to operate their own networks to provide broadband data and internet services. This decision raised to 24 the number of private licensed service providers with their own networks, of which seven have assigned frequencies, TRA Chairman Dr. Kamal Shehadi told us. He noted that this represents a business opportunity for U.S. technology.

17. (SBU) Shehadi explained that all the internet licenses are interim licenses, as TRA is waiting for the Telecommunications Minister to send the licensing arrangement to the State Council for review and approval. Once the arrangement is approved, he said, TRA will issue long-term licenses.

DAUGHTON